


DDA

EXCOM 9144-80

4 December 1980

MEMORANDUM FOR: Executive Committee Members

25X1  
FROM

:   
SA/DDCI

SUBJECT : Agenda for Executive Committee Meeting, 8 December 1980:  
Compensation for Overseas Personnel

The Executive Committee will meet on Monday, 8 December, at  
2:00 P.M. in the DCI Conference Room, to consider the attached  
proposal for an Overseas Compensation Scale, recommended for imple-  
mentation in the first full pay period in March 1981.



25X1

Attachment:  
as stated

cc: D/OPPPM (w/o attmt)



25X1

OL 0 5400

SECRET

4 DEC 1980

MEMORANDUM FOR: Director of Central Intelligence

FROM : Harry E. Fitzwater  
Director of Personnel Policy,  
Planning, and Management

SUBJECT : Compensation for Overseas Personnel ☐

25X1

1. Action Requested: It is requested that you approve the recommendation contained in paragraph 4. ☐

25X1

2. Background:

a. The staffing of our overseas positions is becoming more and more difficult. Some reasons offered by employees have been the inconveniences of overseas living, concern with terrorism, hazards of being identified as a CIA employee, the security of the sponsor's family, career goals of spouses, family reluctance to relocate, educational difficulties, and the higher costs of overseas living. This latter problem more seriously affects the lower-salaried personnel than those at higher grades and salaries. ☐

25X1

b. CIA is not alone in having difficulties in staffing overseas positions. The Department of State acknowledged the difficulty by including in the recently approved Foreign Service Act of 1980 certain new allowances such as a Danger Pay Allowance, an Allowance for Posts Requiring Special Incentives, and a Separate Maintenance Allowance. Although we propose to adopt these allowances, where authorized, for CIA personnel stationed overseas, these allowances do not acknowledge the distinction between CIA and Foreign Service employment. Some of these distinctions are terrorism targeted on CIA employees, the stress of covert activity ☐  
☐, and the dedication of CIA employees. ☐

25X1  
25X1

c. CIA employees receive the general benefits afforded Foreign Service employees overseas. These presently include such items as quarters allowances, post allowances, transfer allowances, education allowances, and post differentials. These allowances generally compensate for the additional costs of living overseas and are frequently adjusted based upon actual local costs. Many Foreign Service employees, however, receive

25X1

WARNING NOTICE  
INTRODUCTION  
AND METHODS INVOLVED

SECRET

SECRET

higher salaries than CIA employees, particularly since the passage of the Foreign Service (FS) Salary Scale of 1980. This new schedule results in an average salary increase of 10.16% (ranging from 0.04% to 13.58%) for Foreign Service personnel in addition to the Federal pay raise of 5 October 1980. The additional salary provided for Foreign Service personnel has had a significant negative impact on the morale of Agency employees. [ ]

25X1

d. The special authorities of the DCI, as authorized under Section 8 of the CIA Act of 1949, would allow the payment of additional or higher compensation if it is determined essential in order to recruit and retain qualified personnel in overseas positions. However, approval of additional or higher compensation should be discussed with the Office of Management and Budget and appropriate Congressional Committees. [ ]

25X1

e. Compensation for overseas personnel was discussed at an Executive Committee meeting on 12 November 1980. In concluding the meeting, the Deputy Director of Central Intelligence requested that this issue be addressed in two parts. First, he asked for a proposal that would bring the pay of CIA overseas personnel in line with the new FS salary scale in the near term; this paper recommends a proposal to satisfy this requirement. Secondly, Mr. Carlucci requested that a group of appropriate Agency representatives be formed to look at alternatives for longer-range solutions; this report will be submitted separately. [ ]

25X1

### 3. Staff Position:

a. Attachment 1, an Overseas Compensation Scale, was developed by the Office of Finance, discussed and coordinated with representatives of the Office of the Comptroller, the Directorates of Administration, Operations, and Science and Technology to meet the following objectives:

- ° provide compensation comparable with the Foreign Service;

- ° provide an increase in compensation for lower-graded employees to acknowledge the unique and valuable contribution of CIA secretarial and communications employees; and,

- ° include the compensation increase in base pay to increase employee entitlements such as high-three salary for retirement compensation, increased FEGLI insurance coverage, greater compensation in case of accidents or death, and increased premium or overtime pay. [ ]

25X1

b. To achieve compensation comparability with the Foreign Service, the Office of Finance compared the FSO/FSS schedules and the GS schedule in effect prior to 5 October 1980. Each GS grade and step

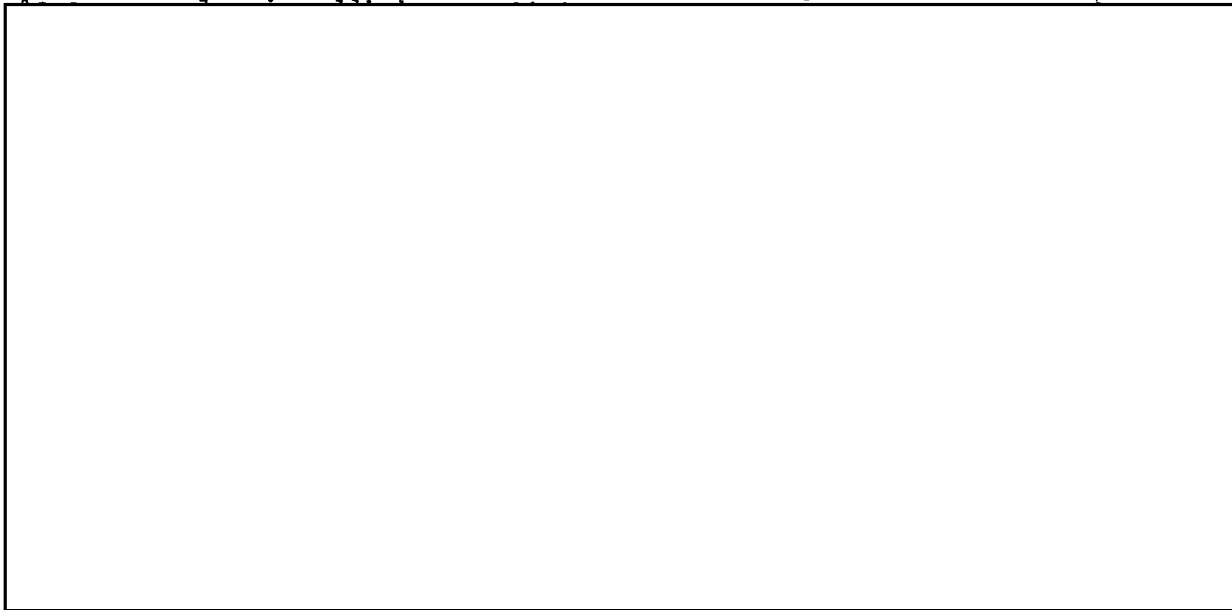
SECRET

SECRET

was compared with both the nearest dollar equivalent FSO grade and step and the nearest dollar equivalent FSS grade and step to identify comparability existing prior to the implementation of the new rates of FS pay. The differences at the comparable grades and steps were then computed utilizing the GS and new FS schedule that went into effect on 5 October 1980. This provided us with the amounts required for GS pay at each grade and step to remain comparable with its FS equivalent. This comparison is illustrated in Attachment 2. ☐

25X1

c. The Foreign Service Act of 1980 provided only a minimum salary increase for many of the lower-graded Foreign Service employees. However, it is our opinion that we cannot exempt our lower-graded employees from a general upgrading of overseas salaries as they perform a broader and more complex range of functions than their Foreign Service counterparts.



25X1

Therefore, it is proposed that a base salary increase of \$2,050 (the increase required for a GS-7, step 4 to maintain comparability with an FSO-8, step 4) be established as the minimum increase for employees under this system. This \$2,050 minimum applies to the GS-4 through GS-9 grade levels. ☐

25X1

d. Construction of the Overseas Compensation Scale was begun at the step 4 level of each grade, with the exception of GS-15. The present step 4 salary was added to the amount required to maintain comparability or the \$2,050 minimum. This salary schedule leaves the present system of within-grade increases intact. Salary increases and within-grade increases under the Overseas Compensation Scale are shown in Attachment 3. ☐

25X1

SECRET

SECRET

25X1



f. The estimated total annual cost of establishing an Overseas Compensation Scale as outlined above will be [redacted]. The specifics of this cost estimate are provided in Attachment 4. [redacted]

25X1  
25X1

4. Recommendation: It is recommended that you approve the attached Overseas Compensation Scale, authorize payment to begin at the start of the first full pay period in March 1981, and that you discuss this plan with the appropriate Office of Management and Budget officials and Congressional Committees. [redacted]

25X1

Harry E. Fitzwater

Harry E. Fitzwater

Attachments  
As stated

APPROVED:

\_\_\_\_\_  
Director of Central Intelligence

\_\_\_\_\_  
Date

SECRET

Approved For Release 2003/06/26 : CIA-RDP85-00988R000500050004-9

## PROPOSED OVERSEAS COMPENSATION SCALE

GS Grade	WGI	1	2	3	4	5	6	(7)	8	9	10
15	1,485	48,735	50,112	50,112	50,112	50,112	50,112	50,112	50,112	50,112	50,112
14	1,262	42,644	43,906	45,168	46,430	47,692	48,954	50,112	50,112	50,112	50,112
13	1,068	36,240	37,308	38,376	39,444	40,512	41,580	42,648	43,716	44,784	45,852
12	898	30,551	31,449	32,347	33,245	34,143	35,041	35,939	36,837	37,735	38,633
11	750	25,207	25,957	26,707	27,457	28,207	28,957	29,707	30,457	31,207	31,957
10	682	22,986	23,668	24,350	25,032	25,714	26,396	27,078	27,760	28,442	29,124
9	620	20,635	21,255	21,875	22,495	23,115	23,735	24,355	24,975	25,595	26,215
8	561	18,876	19,437	19,998	20,559	21,120	21,681	22,242	22,803	23,364	23,925
7	506	17,243	17,749	18,255	18,761	19,267	19,773	20,279	20,785	21,291	21,797
6	456	15,722	16,178	16,634	17,090	17,546	18,002	18,458	18,914	19,370	19,826
5	409	14,316	14,725	15,134	15,543	15,952	16,361	16,770	17,179	17,588	17,997
4	365	13,013	13,378	13,743	14,108	14,473	14,838	15,203	15,568	15,933	16,298

<u>GS</u>	<u>Compared to FSO/ FSS (adjusted for 1979 difference)</u>	<u>Current GS Pay</u>	<u>Current FSO/ FSS Pay</u>	<u>Proposed "Go" Pay</u>	<u>% Increase Current GS to Proposed "Go"</u>
15/4	FSO - 3/7	49,002	50,112	50,112	2.3%
14/4	(Mean of FSO - 3/2 & FSS -2-10)	41,657	46,430	46,430	11.5%
13/4	FSO - 4/4	35,252	39,444	39,444	11.5%
12/4	FSO - 5/5	29,645	33,245	33,245	12.1%
11/4	FSO - 6/6	24,736	27,457	27,457	11.0%
10/4	FSO - 6/3	22,513	25,032	25,032	11.2%
9/4	(Mean of FSO - 7/6 and FSS - 6/7)	20,445	21,275	22,495	10.0%
8/4	(Mean of FSO - 7/2 and FSS - 6/4)	18,509	19,254	20,559	11.1%
7/4	(Mean of FSO - 8/4 and FSS - 7/4)	16,711	17,750	18,761	12.3%
6/4	FSS - 8/4	15,040	15,024	17,090	13.6%
5/4	FSS - 9/4	13,493	13,443	15,543	15.2%
4/4	FSS - 10/4	12,058	13,403	14,108	17.0%

Approved For Release 2003/06/26 : CIA-RDP85-00988R000500050004-9

<u>Grade/Step</u>	<u>Salary Increase</u>	<u>Within Grade Increase</u>
15/1	4,188	1,485
15/2	4,080	
15/3	2,590	
15/4	1,110	
15/5-10	-	
14/1-6	4,773	1,262
14/7	4,669	
14/8	3,407	
14/9	2,145	
14/10	883	
13/1-10	4,192	1,068
12/1-10	3,600	898
11/1-10	2,721	750
10/1-10	2,519	682
9/1-10	2,050	620
8/1-10	2,050	561
7/1-10	2,050	506
6/1-10	2,050	456
5/1-10	2,050	409
4/1-10	2,050	365

Approved For Release 2003/06/26 : CIA-RDP85-00988R000500050004-9



25X1

Approved For Release 2003/06/26 : CIA-RDP85-00988R000500050004-9

Approved For Release 2003/06/26 : CIA-RDP85-00988R000500050004-9